

NCDOT/PTD

PROFICIENCY REVIEWS
KFH Group, Inc.

September 26, 2017

Jason Quan

Lib Rood



© 2014 Pearson Education, Inc. or its affiliate(s). All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage or retrieval system, without prior written permission from Pearson Education, Inc. or its affiliate(s).

- 
- A 3D illustration of a white book with the word 'Review' printed on its cover. A magnifying glass with a wooden handle is positioned over the word, focusing on it.



Session Objectives

- 1. Proficiency Review Procedures**
- 2. Overview of Federal Programs, Guidance, and Resources**
- 3. Grantee Questionnaire/Workbook**
- 4. Federal Requirements**

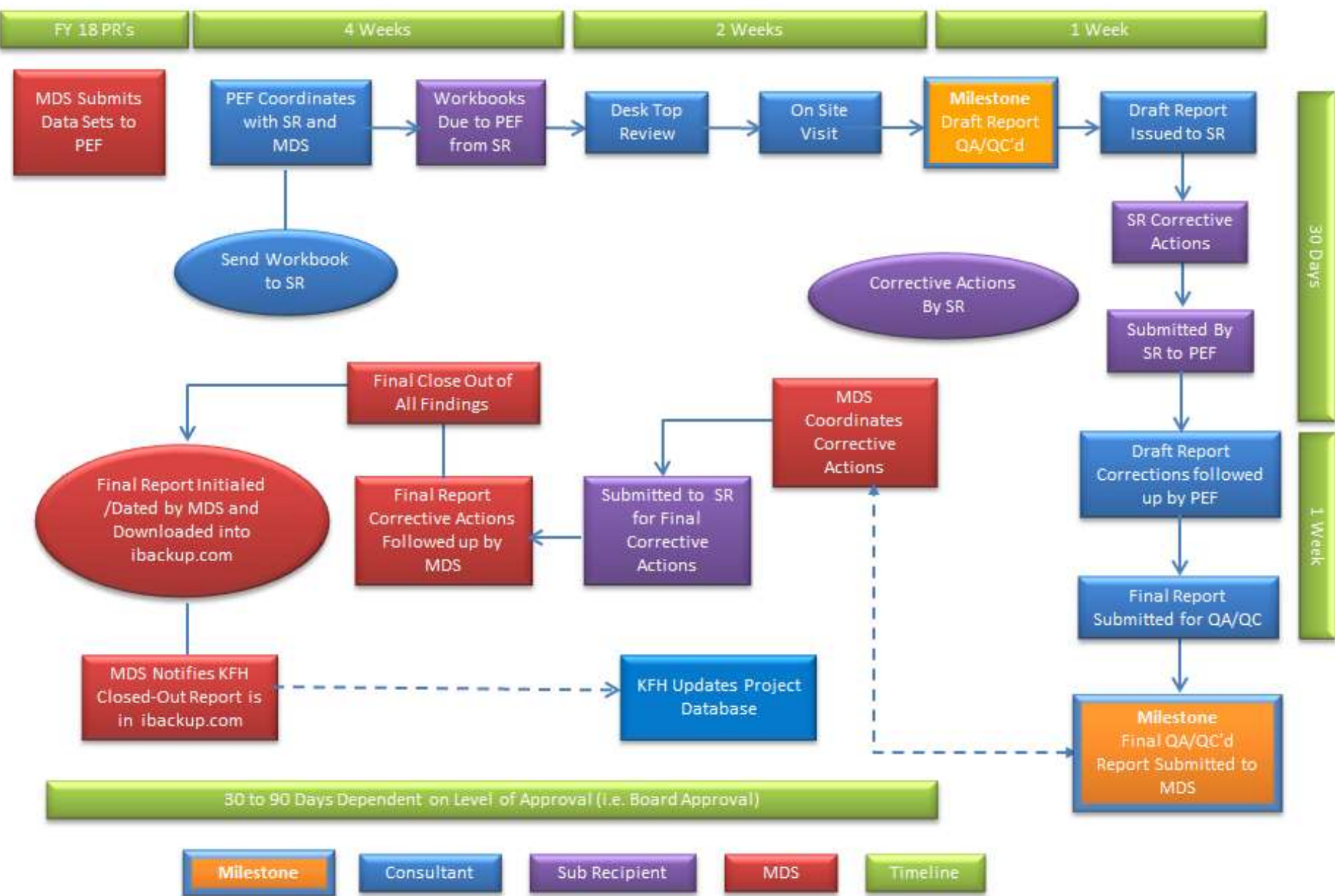
Performance Review Procedures

- 1. Schedule the On-Site Visit**
- 2. Desk Review - Review Workbook and Prepare for On-Site Visit**
- 3. Site Visit**
- 4. Draft Report**
- 5. Corrective Action Plans**
- 6. Final Report**

Subrecipient Use of the File Sharing Site

- An email with the user name and password to sign-in will be sent to you.
- Subrecipients will be able to download the blank Workbook from the project site. Your materials/completed workbook also can be uploaded to your system folder through the project website (www.ibackup.com).
- Alternatively, the consultant review team can e-mail them an electronic copy of the workbook. And you can e-mail back your completed workbook and requested materials.
- As a last resort, hard copy materials can be mailed to the consultant review teams.

Proficiency Reviews Program Flow Chart – FY 18



Schedule On-Site Visit

- Review teams will coordinate with their MDS and make arrangements for the on-site visit.
 - Approximately 6 weeks before the on-site visit, grantees will be called to schedule the on-site visit.
 - Follow-up with a letter or email that confirms the site visit date, explains the purpose of the on-site visit, and outlines the day's agenda and attaches the Workbook.
- Grantees to send some information to the review team in advance of the on-site visit and have other information available for review during the on-site visit.
- **Grantees will have four weeks to submit the information.**
- Grantees asked to complete their portion of the Workbook to be returned to the consultants at least two weeks before the review.

Site Visit

- **Entrance Conference** – meet with the system manager and key staff. Explain purpose of the review, findings of the desk review, agenda for the day, steps to the draft, and final reports.
- **Review Each Area** – review each area using Workbook.
- **Visit Facility and Inspect Records** – inspect operating and maintenance facilities for general observations and to verify that the facility is in transit use. Review maintenance records for a sample of Federal Transit Administration (FTA) funded vehicles and facilities.
- **Remaining Questions** – at the end of the review, but before the exit conference, go through any remaining questions not yet resolved and ask grantee if any of them can be resolved at this time.
- **Exit Interview** – review findings with the transit manager.

Draft Report

- Draft report will be issued within one week.
- Findings are categorized as:
 - Compliant
 - Deficient
 - Advisory
 - Not Reviewed
- Items that are Deficient or Advisory will require a corrective action.
- Items closed at the exit interview are not reported in the draft report.

Corrective Action Plans

- Grantees generally will be given 30 days to correct any deficiency and/or advisory findings. Items needing board action may be allotted more time.
- Submit your corrective action plans and supporting documentation to the review team consultants.
- All findings, including Advisory comments require corrective actions.
- Corrective actions must be actions, not just a statement that things will change. Templates must be modified to reflect local agency and procedures.
- Any items still open at the time of the final report will be followed up and closed by the MDS.

Final Reports

- The final report will consist of a matrix with the findings from the draft report, corrective actions taken by the grantee, and any pending non-compliance issues that need MDS follow-up.
- When all remaining findings are closed, MDSs record and sign off.

Proficiency Review Workbook

1. Transit System Information
2. Review Document Request
3. Attendance Sheet
4. Questionnaire – 18 Areas
5. List of Required Federal Clauses for Procurement Review

Program Areas to Review – 17 FTA plus 1

1. Financial Management and Capacity
2. Technical Capacity
3. Maintenance
4. ADA
5. Title VI
6. Procurement
7. DBE
8. Legal
9. Satisfactory Continuing Control
10. Planning and Coordination
11. Public Comment on Fare Increases or Major Service Reductions
12. Half Fare
13. Charter Bus
14. School Bus
15. Safety and Security
16. Drug Free Workplace/Drug and Alcohol Testing
17. EEO
18. Other Service Requirements

1. Financial Management and Capacity

- Financial Capacity
- Funds Management/Grant Accounting
- Audit
- Overhead/Indirect Cost Allocation
- Budget Controls
- Cash Management



Financial Capacity

REQUIREMENTS

Subrecipients must have sufficient local resources to provide the required match and carry out the proposed project.

REVIEW

- Current financial status
- Source and stability of local share

REQUIREMENTS

Subrecipients must have the financial management systems to account for and report on FTA and state assistance. Private non-profit subrecipients must comply with the standards for financial management systems provided in the Common Rule (2 CFR part 200).

REVIEW

- Accounting system and written policies
- Adequacy of cash flow
- Grant invoicing and accounting

REQUIREMENTS

Subrecipients conduct an annual independent audit in accordance with the provisions of 2 CFR 200 Subpart F.

- Prior to 12/26/14, audits required if had \$500,000 or more in federal awards in a year (A-133)
- Threshold after 12/26/14 is \$750,00 or more in federal awards in a year

Audits must be completed and submitted after close of fiscal year.

- Private non-profits submit audits directly to PTD
- Public entities submit to the NC Local Government Commission (LCG)

REVIEW

- Independent audit

Overhead/Indirect Cost Rates

REQUIREMENTS

Subrecipients that charge indirect costs to grants must do so in accordance with, what the feds call, an approved cost allocation plan (CAP), developed in accordance with 2CFR200.

1. Governmental - SRs should have indirect rates from their local governments and a signed certificate or letter from their federal cognizant agency
2. Non-profits - If the SR has not been assigned a cognizant federal agency, it negotiates with PTD to establish an indirect cost rate.

REVIEW

- Indirect Cost Rate plan, if required
- Check date to ensure plan is current, relevant

Budget Controls

REQUIREMENTS

Subrecipient must prepared a reasonable budget and monitor costs against budgets.

REVIEW

- Written budgeting procedures – how developed, approved, changed
- Current approved budget – evidence that budget is compared to expenditures regularly

Cash Management

REQUIREMENTS

Subrecipients must practice sound cash management including accounting for cash fares.

REVIEW

- Written cash management procedures
- Fare collection and reconciliation procedures
- Accounts payable – control on checks written and reconciliation
- Payroll processing and control
- Use of credit cards
- Travel reimbursement

2. Technical Capacity



Project Management/Grant Administration includes the ability of transit systems to administer the grant program and to report status and progress to NCDOT. Areas reviewed under grant management include:

- Grant Management
- Staff capacity
- Reporting

REQUIREMENTS

Technical capacity to implement their program of projects, manage grants, and comply with federal and state requirements, using sound management practices.

If contract for services, procedures for managing transit service contractors.

REVIEW

- Grant management procedures
- Oversight of contractors (if applicable)
- Open grants (inactive)
- Leased assets

REQUIREMENTS

Adequate number of staff who possesses the necessary knowledge, skills, and abilities to manage federal and state grants.

REVIEW

- Organizational chart – titles, functions, number of staff, and reporting lines
- Employee handbook – personnel policies
- Board-approved, comprehensive personnel policies
- Current job descriptions on file for every position that meet functions
- Training records

REQUIREMENTS

The transit system must report accurate operating and financial information on the grants to NCDOT in a timely manner.

REVIEW

- Report submission history.

3. Maintenance



REQUIREMENTS

- Maintain FTA-funded equipment and facilities.
- Have a written maintenance plan for vehicles, federal/state funded facilities and facility-related equipment, including accessibility features.
- Procedures to track when preventive maintenance (PM) inspections are due and to schedule preventive maintenance inspections in a timely manner – meet manufacturers specifications.
- Process for tracking and pursuing warranty claims.

3. Maintenance (continued)

REQUIREMENTS (continued)

- Maintain a file on each piece of equipment that contains daily logs, inspection checklists, and repair records.
- Pre-trip inspection program that addresses vehicle condition, appearance and cleanliness, safety, and ADA accessibility equipment. Repair deficiencies in a timely manner.
- Repair accessibility features promptly and take reasonable steps to continue service to persons with disabilities while repairs are being made.
- Oversight of contractor's maintenance practices.

3. Maintenance (continued)

REVIEW

- Written vehicle maintenance plan and PM checklists
- Written facility maintenance plan (for federal or state funded facilities) and facility plan implementation
- Vehicle PM inspections – using Preventive Maintenance Review Sheet – pull 3 vehicles and review PM for prior 12 months (80% should be within +/- 10% or 500 mile variance)
- Warranty claim records
- Daily pre-trip inspection forms
- Repair records for deficiencies
- Contract monitoring for vehicles and facilities used by private contractors

4. Americans with Disabilities Act (ADA)

REQUIREMENTS

- Prohibits discrimination against persons with disabilities by transit systems.
- ADA includes requirements for:
 - Vehicle accessibility
 - General service requirements
 - Fixed-route service requirements
 - ADA complementary paratransit
 - Other demand-response transportation
 - Employment practices
 - Facilities accessibility



4. ADA (continued)

REVIEW

- Written ADA policies – fixed-route and paratransit, rider guides, other materials, website – look especially that “common wheelchair” is not used.
- Vehicle accessibility
- ADA complaints
- Complementary paratransit records
- System brochures

5. Title VI – Non-Discrimination in Service Planning and Delivery



REQUIREMENTS

- FTA prohibits discrimination on the grounds of race, color, or national origin, in the delivery of public transit services. FTA also prohibits discrimination on the grounds of low-income status.
- Outreach required to include Notification of Rights, Public Outreach and Inclusive Public Participation, LEP Plan, Complaint Process
- Title VI complaints must be reported to PTD within 24 hours of receipt of the complaint.

REVIEW

- Title VI Plan
- Planning process as it relates to outreach and inclusion of to low income and minority populations
- Notification of Public of Title Vi Rights
- LEP plan and analysis
- Title VI complaints
- Title VI posting on-site

6. Procurement



- All grantees must comply with the requirements and regulations of the FTA Circular 4220.1F and the N.C.G.S. 143-129.
- Most procurements involving construction, consultant and various other items that are procured locally may be required to be reviewed by the Division.
- Grantees must obtain prior state approval for purchases of transportation service contracts and all procurements over \$3,500.
- Grantees must submit all formal procurements estimated to cost over \$90,000 to the Division prior to bid.

6. Procurement (continued)

- Procurement Standards, Practices, and History
- Buy America
- Debarment/Suspension
- Lobbying

Procurement Standards, History

REQUIREMENTS

Subrecipients must have written procurement policies and standards that meet federal rules

REVIEW

- Written procurement policies and procedures for standards, full and open competition, federally-required clauses, award to only responsive bidders
- Procurement history – solicitations, contracts – to see if policies are followed. Using Procurement File Review Sheet, select a variety of procurements – small purchases (\$3.5K - \$150K), items over \$150K, sealed bid or RFP
- Particular attention to vehicles not purchased off the state contract
- Conflicts of Interest – staff, board members, vendors
- PTD approval all procurements \$3,500 and over

REQUIREMENTS

Steel, iron, and manufactured products must be produced in the United States unless the FTA has granted a waiver or the product is subject to a general waiver – applies to purchases over \$150K (as of 10/1/15).

Revenue service rolling stock not subject to a general waiver must be assembled in the United States and have a 60% domestic content (2017) – increases in 2018 (65%) and 2019 (70%).

Note: These questions do not apply if vehicles are purchased off state contract.

REVIEW

- Procurement History for items over \$150,000 – look for Buy America Provisions and Certifications in contracts and solicitation documents
- File with Federal Motor Vehicle Safety Standards (FMVSS) certificate from manufacturers (all purchases)
- Pre-award and Post-Delivery of Rolling Stock – process and files used to verify domestic content
- In-plant inspections only if purchasing more than 20 vehicles. Generally visual inspection and road test are sufficient

Suspension/Debarment

REQUIREMENTS

Subrecipients are prohibited from contracting for goods and services from individuals or organizations that have been suspended or debarred from receiving federally-assisted contracts.

Must verify that vendor is not on the SAM excluded parties list before entering into third party contracts.

REVIEW

- Procurement History for items over \$25,000 – needs Suspension/Debarment clauses and signed certifications in contracts and solicitation documents
- Transit systems need to review Excluded Parties Listing System on SAM

REQUIREMENTS

No federal funds can be used for lobbying activities.

Subrecipients of grants and contracts exceeding \$100,000 must certify that they have not and will not use federal appropriated funds to pay for lobbying.

REVIEW

- Procurement History for items over \$100,000 – Needs Lobbying clauses and signed certifications in contracts and solicitation documents

7. Disadvantaged Business Enterprise



REQUIREMENTS

Provide DBEs the maximum opportunity to compete for and perform contracts and subcontracts financed in whole or in part with federal funds.

Submit DBE reports with request for reimbursement and TVMs for vehicle procurements.

Subrecipients that receive over **\$250K** annually in FTA federal funds in contracting opportunities, exclusive of funds for the purchase of vehicles, shall develop, with assistance from NCDOT, a DBE plan and goal.

REVIEW

- If meet \$250K threshold, review DBE plan and goal
- Procurement History – look for DBE procurements and review goal achievements
- TVM reports (if applicable)
- Look at payment history to see if DBEs are being paid promptly

8. Legal



Systems must be organized and governed in a manner that allows them to comply with federal requirements

- Legal Authority
- Annual Certifications
- Governance
- Control Environment
- Labor Protections

REQUIREMENTS

Officials acting on behalf of the subrecipient must have the appropriate authority. This is usually documented in an authorizing resolution passed by the transit system's governing body.

REVIEW

- The definition and source of authority of officials to act on behalf of the transit system – authorizing resolution.

Annual Certifications

REQUIREMENTS

Subrecipients must certify annually that they will comply with the applicable federal requirements and that they have met the statutory and program requirements.

REVIEW

- Signed annual certification and assurances required by FTA.
- Person signing the assurances is an authorized individual.
- Opinions of Counsel – signature of attorney - must accompany the certifications and assurances.

REQUIREMENTS

The Governing Board is the legal entity for the Transportation organization.

NCDOT requires public transit operators have a County Commissioner-approved Transportation Advisory Board (TAB).

REVIEW

Governing Board and Advisory Board must:

- Be a representative of the community
- Meet regularly, be “actively engaged”
- Conduct business in an open and transparent manner
- Have appropriate role

Control Environment

REQUIREMENTS

Subrecipients must institute various control activities, such as segregation of duties, physical controls, and a system of approvals.

REVIEW

- Internal control mechanisms such as background checks, and checks and balances.

Labor Protections

REQUIREMENTS

The transit system must have signed and posted the special 5333(b) warranty addresses labor issues such as collective bargaining and employee displacement and dismissal. This is an annual submittal to NCDOT.

REVIEW

- Signed copy of 5333(b) warranty
- Any complaints
- On site posting in a location visible to employees

9. Satisfactory Continuing Control

- Control of real estate and equipment
- Disposition of property and equipment
- Revenue vehicles



Control of Real Property and Equipment

REQUIREMENTS

Transit systems must maintain control over real property, facilities and equipment that are funded with FTA and/or state transit dollars and ensure that they are used to provide public transportation.

Grantees must carry enough insurance to replace any FTA and/or state-funded facility or equipment.

REVIEW

- Inventory of vehicles, equipment and facilities - reconciliation
- Incidental use of property – maintain control
- Insurance adequate
- Control over contractor-operated equipment
- Excess real property

Disposition of Property and Equipment

REQUIREMENTS

Grantees must obtain prior written approval from PTD before selling, leasing, or disposing of vehicles, equipment, or facilities that have remaining federal and/or state interest.

FTA share must be accounted for in the disposition of property and equipment

REVIEW

- Records of property or vehicles disposition – met useful life
- Leases on FTA funded assets – include required provisions (control, maintain asset, use)
- Records of proceeds from sale of property or equipment

Revenue Vehicles

REQUIREMENTS

The number of spare vehicles must be appropriate.

REVIEW

- Spare ratio = spare vehicles/peak requirement
- Spare should generally be no more than 20%
- Vary by type of service, size and age of fleet, types of vehicles, projected population growth
- May not calculate separately for different modes

10. Planning and Coordination



- Planning
- Public Participation
- Coordination

REQUIREMENTS

- Transit systems must be at the table during the transportation planning processes conducted by RPOs and MPOs.
- To be eligible to receive S.5311, community transportation provider must have an approved Community Connectivity Plan (CCP).
- Subrecipients located in the planning area of a metropolitan planning organization (MPO) must ensure that their program of projects is included in a Transportation Improvement Program (TIP) for the area.

REVIEW

- CCP
- Agreements or arrangements to involve transit in transportation planning process
- Role of private operators in the development of the CCP

Public Participation in the POP

REQUIREMENTS

Subrecipients must involve the public in service planning.

An effective public involvement program has an educational and outreach component, and addresses transit riders, the non-riding public, special populations, community leaders, and civic groups.

Applicants for FTA and State transit funding conduct public hearing annually on their Program of Projects (POP) as part of the grant application process.

REVIEW

- Public hearing notice, notes and arrangements for recent POP
- Role of private operators in development of annual POP
- Complaints

REQUIREMENTS

S. 5311 subrecipients must coordinate to the maximum extent feasible with transportation assisted from other federal sources.

S.5310, S.5316 and S.5317 services must be derived from a locally-developed coordinated public transit-human service transportation plan.

REVIEW

- Local coordinated plans are being updated throughout the state.

11. Public Comment On Fare/Service Changes



REQUIREMENTS

Written, locally-developed process for soliciting comments prior to fare increases or major service reductions.

Definition of “major service reduction”.

Process for considering comments.

REVIEW

- Written process for soliciting comments
- Record of process for most recent fare change of major service reduction

12. Half Fare



REQUIREMENTS

For fixed route service supported with S.5307, fares charged seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours cannot be more than one-half the peak hour fares.

REVIEW

- Written brochures and materials
- Website
- Half fare applications

13. Charter Bus



REQUIREMENTS

- Subrecipients are prohibited from using federally funded equipment and facilities to provide charter service except in accordance with allowable exemptions or exceptions.
- Exemptions for some services - S. 5311 and S.5310 subrecipients can provide services to elderly and individuals with disabilities for “program purposes”.
- Exceptions for some services such as government officials (80 hrs. annually) or if no registered charter provider responds to the email notice sent by the recipient
- Report charter services to PTD – follow charter bus rules for any services defined as charter services

REVIEW

- Written charter bus policies
- Records of transportation for program purposes
- Charter bus service reports (if applicable) for services provided

14. School Bus



REQUIREMENTS

Prohibited from providing exclusive school bus service unless the service qualifies under an allowable exemption and is approved by the FTA Administrator.

Note - Head Start transportation is considered human service transportation, not school bus service.

REVIEW

- Written school policies

15. Safety and Security

SAFETY SECURITY

REQUIREMENTS

- Have in place a system safety plan (SSP) to achieve the highest practical level of safety and security to protect passengers, employees, revenues, and property.
- Document that drivers have a valid operator's license, have a safe driving record, and have been trained in the NCDOT Public Transportation Guidelines for minimum training. Criminal background checks must be performed on applicants.
- Maintain safety devices in operative condition. All vehicles must be outfitted with a blood-borne pathogens kit, first-aid kit, fire extinguisher, bi-directional reflective triangles, and web cutters.
- Security and emergency preparedness plan – participate in community emergency plans. Agreement with local emergency management office.

REVIEW

- System Safety Plan (SSP) – including driver policies
- Driver and staff training records; background checks
- Investigative procedures for accidents and incidents
- COOP Plan
- Vehicle storage facilities
- Transit involvement in community preparedness – agreement with local emergency center.

16. Drug Free Workplace/Drug and Alcohol Testing



REQUIREMENTS

Subrecipients and their contractors should maintain a drug-free workplace for all employees and have an on-going drug-awareness program.

Drug and alcohol-testing program required for all safety-sensitive employees. Applies to S.5311, S.5307 but not S.5310/NF/JARC.

Maintenance contractors for providers in areas under 200,000 are not required to have a Drug and Alcohol Testing program.

REVIEW

- Drug free workplace notices
- Drug and Alcohol Testing Program
- MIS and drug and alcohol testing files

17. EEO



REQUIREMENTS

Ensure that no person shall on the grounds of race, color, religion, national origin, sex, age or disability be subject to discrimination in employment .

Post in conspicuous and accessible places and make available to employees and applicants for employment notices setting forth an EEO policy.

Formal EEO plan to FTA if system **both**:

- employs 100 or more transit-related employees (including temporary, full-time or part time employees either directly employed and/or through contractors) **and**
- receives in excess of \$1M in capital and operating assistance or in excess of \$250,000 in planning assistance in the previous fiscal year

Abbreviated EEO plan developed but not submitted to FTA if system has 50-100 transit employees (submit to PTD) **and** meets funding threshold.

REVIEW

- EEO postings
- EEO policy statement; job applications and announcements
- EEO complaints
- Formal EEO plan if meet thresholds

18. Other Service Requirements

- Open to the Public/Marketing
- Use of S.5311 in Urbanized Areas
- Meal Delivery and Incidental Use

Open to the Public

REQUIREMENTS

Services must be open to and marketed to the general public.

Marketing should be reviewed periodically to assess effectiveness.

Coordinated human service transportation that primarily serves elderly persons and persons with disabilities, but which is not restricted from carrying other members of the public, is considered available to the general public if it is marketed as public transit service.

REVIEW

- System brochure and marketing materials for public information
- Ridership by general public riders
- Service hours when public would ride
- Vehicle marking – as open to public
- System website – does a search take you there?

Use of S.5311 in Urbanized Area

REQUIREMENTS

- Subrecipients may not use Section 5311 assistance to provide service within an urbanized area but may provide service to and from urbanized areas.
- Cost allocation methodology must be applied consistently from year to year.

REVIEW

- Service within the urbanized areas
- Cost allocation methodology and history

Meal Delivery and Incidental Use

REQUIREMENTS

Incidental use of a Section 5311 vehicle on an occasional or regular basis, such as meal delivery, must not result in reduction of public transit service quality or availability.

Incidental services must cover the operating costs associated with providing the services.

Incidental use or service must not interfere with the provision of transit service and must bear the costs of providing the service.

REVIEW

- Meal or incidental use arrangements
- Miles/hours associated with meal delivery or incidental use – portion of overall services and accounting methodology